

Annex 1.

Reporting period

1.1.2018

to

30.9.2018

Quarterly financial report TFI-POD

Tax number (MB): 04440889

Company registration number (MRS): 040352133

Personal identification number (OIB): 82344583628

Issuing company: FTB TURIZAM d.d.

Postal code and place: 10000

Zagreb

Street and house number: Miramarska 24

E-mail address: contact@remisens.com

Internet address: www.remisens.com

Municipality/city code and name: 133 Zagreb

County code and name: 21 GRAD ZAGREB

Number of employees:

(period end)

Consolidated report: NO

NKD code:

5510

Companies of the consolidation subject (according to IFRS)

Seat:

MB:

Bookkeeping service:

Contact person: Kulonja Kristina
(only surname and name)

Telephone: 051 710-383

Telefaks:

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Family name and name: Juroš Jasnica
(person authorized to represent the company)FTB TURIZAM d.d.
Zagreb

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(signature of the person authorized to represent the company)

Balance Sheet
as of 30.09.2018.

Company: FTB TURIZAM d.d.			
Position	AOP	Previous period 31.12.2017.	Current period
1	2	3	4
ASSETS			
A) RECEIVABLES FOR SUBSCRIBED NOT PAID CAPITAL	001		
B) NON-CURRENT ASSETS (003+010+020+029+033)	002	188.962.189	202.962.189
I. INTANGIBLE ASSETS (004 do 009)	003	0	0
1. Expenditure for development	004		
2. Concessions, patents, licenses, trademarks, service marks, software and other rights	005		
3. Goodwill	006		
4. Advances for purchase of intangible assets	007		
5. Intangible assets in progress	008		
6. Other intangible assets	009		
II. PROPERTY, PLANT AND EQUIPMENT (011 do 019)	010	0	0
1. Land	011		
2. Buildings	012		
3. Plant and equipment	013		
4. Tools, working inventory and transportation assets	014		
5. Biological assets	015		
6. Advances for purchase of tangible assets	016		
7. Tangible assets in progress	017		
8. Other tangible assets	018		
9. Investment in real-estate	019		
III. NON-CURRENT FINANCIAL ASSETS (021 do 028)	020	188.962.189	202.962.189
1. Share in related parties	021	188.962.189	202.962.189
2. Loans to related parties	022		
3. Participating interests (shares)	023		
4. Loans to companies with participating interest	024		
5. Investments in securities	025		
6. Loans, deposits, etc.	026		
7. Other non-current financial assets	027		
8. Equity-accounted investments	028		
IV. RECEIVABLES (030 do 032)	029	0	0
1. Receivables from related parties	030		
2. Receivables arising from sales on credit	031		
3. Other receivables	032		
V. DEFERRED TAX ASSET	033		
C) CURRENT ASSETS (035+043+050+058)	034	13.975.744	12.704.296
I. INVENTORIES (036 do 042)	035	0	0
1. Raw materials and supplies	036		
2. Production in progress	037		
3. Finished products	038		
4. Merchandise	039		
5. Advances for inventories	040		
6. Long term assets held for sale	041		
7. Biological assets	042		
II. RECEIVABLES (044 do 049)	043	1.056	5.006.384
1. Receivables from related parties	044		5.000.000
2. Receivables from end-customers	045		
3. Receivables from participating parties	046		
4. Receivables from employees and members of the company	047		
5. Receivables from government and other institutions	048	1.056	5.577
6. Other receivables	049		807
III. CURRENT FINANCIAL ASSETS (051 do 057)	050	0	0
1. Share in related parties	051		
2. Loans to related parties	052		
3. Participating interests (shares)	053		
4. Loans to companies with participating interest	054		
5. Investments in securities	055		
6. Loans, deposits, etc.	056		
7. Other financial assets	057		
IV. CASH AND CASH EQUIVALENTS	058	13.974.688	7.697.912
D) PREPAYMENTS AND ACCRUED INCOME	059		6.857
E) TOTAL ASSETS (001+002+034+059)	060	202.937.933	215.673.342
F) OFF BALANCE SHEET ITEMS	061		

EQUITY AND LIABILITIES			
A) ISSUED CAPITAL AND RESERVES (063+064+065+071+072+075+078)	062	202.908.790	210.591.204
I. SUBSCRIBED SHARE CAPITAL	063	202.769.470	202.769.470
II. CAPITAL RESERVES	064		
III. RESERVES FROM PROFIT (066+067-068+069+070)	065	2.939	6.966
1. Legal reserves	066	2.939	6.966
2. Reserve for own shares	067		2.166.460
3. Treasury shares and shares (deductible items)	068		2.166.460
4. Statutory reserves	069		
5. Other reserves	070		
IV. REVALUATION RESERVES	071		
V. RETAINED EARNINGS OR LOSS CARRIED FORWARD (073-074)	072	55.847	0
1. Retained earnings	073	55.847	
2. Loss carried forward	074		
VI. NET PROFIT OR LOSS FOR THE PERIOD (076-077)	075	80.534	7.814.768
1. Net profit for the period	076	80.534	7.814.768
2. Net loss for the period	077		
VII. MINORITY INTEREST	078		
B) PROVISIONS (080 do 082)	079	0	0
1. Provisions for pensions, severance pay and similar liabilities	080		
2. Provisions for tax liabilities	081		
3. Other provisions	082		
C) NON-CURRENT LIABILITIES (084 do 092)	083	0	0
1. Liabilities to related parties	084		
2. Liabilities for loans, deposits, etc.	085		
3. Liabilities to banks and other financial institutions	086		
4. Liabilities for advances	087		
5. Trade payables	088		
6. Commitments on securities	089		
7. Liabilities to companies with participating interest	090		
8. Other non-current liabilities	091		
9. Deferred tax liabilities	092		
D) CURRENT LIABILITIES (094 do 105)	093	29.143	5.082.138
1. Liabilities to related parties	094		5.000.000
2. Liabilities for loans, deposits, etc.	095		
3. Liabilities to banks and other financial institutions	096		
4. Liabilities for advances	097		
5. Trade payables	098	3.796	81.713
6. Commitments on securities	099		
7. Liabilities to companies with participating interest	100		
8. Liabilities to employees	101		
9. Taxes, contributions and similar liabilities	102		
10. Liabilities arising from share in the result	103		
11. Liabilities arising from non-current assets held for sale	104		
12. Other current liabilities	105	25.347	425
E) ACCRUED EXPENSES AND DEFERRED INCOME	106		
F) TOTAL EQUITY AND LIABILITIES (062+079+083+093+106)	107	202.937.933	215.673.342
G) OFF BALANCE SHEET ITEMS	108		
ADDITION TO BALANCE SHEET (only for consolidated financial statements)			
ISSUED CAPITAL AND RESERVES			
1. Attributable to majority owners	109	0	0
2. Attributable to minority interest	110		

Income statement
period 01.01.2018. to 30.09.2018.

Company: FTB TURIZAM d.d.

Position	AOP	Previous period	Previous period	Current period	Current period
		Cummulative	Quarter	Cummulative	Quarter
1	2	3	4	5	6
I. OPERATING INCOME (112 do 113)	111	650	0	40.338.003	0
1. Rendering of services	112				
2. Other operating income	113	650	0	40.338.003	
II. OPERATING COSTS (115+116+120+124+125+126+129+130)	114	156.501	12.646	30.508.049	30.438.989
1. Change in inventories of work in progress	115				
2. Material expenses (117 do 119)	116	87.652	12.174	179.719	155.613
a) Costs of raw materials	117				
b) Cost of goods sold	118				
c) Other material expenses	119	87.652	12.174	179.719	155.613
3. Employee benefits expenses (121 do 123)	120	0	0	0	0
a) Net salaries	121				
b) Tax and contributions from salary expenses	122				
c) Contributions on salary	123				
4. Depreciation and amortisation	124				
5. Other expenses	125	68.849	472	30.328.330	30.283.376
6. Write down of assets (127+128)	126	0	0	0	0
a) non-current assets (except financial assets)	127				
b) current assets (except financial assets)	128				
7. Provisions	129				
8. Other operating costs	130				
III. FINANCIAL INCOME (132 do 136)	131	313.348	71.521	38.940	6.857
1. Interest, foreign exchange differences, dividends and similar income from related parties	132	256.155	51.566		
2. Interest, foreign exchange differences, dividends and similar income from third parties	133	57.193	19.955	38.940	6.857
3. Income from investments in associates and joint ventures	134				
4. Unrealised gains (income) from financial assets	135				
5. Other financial income	136				
IV. FINANCIAL EXPENSES (138 do 141)	137	241	0	20.020	14.336
1. Interest, foreign exchange differences, dividends and similar income from related parties	138			8.003	8.003
2. Interest, foreign exchange differences, dividends and similar income from third parties	139	241		12.017	6.333
3. Unrealised losses (expenses) from financial assets	140				
4. Other financial expenses	141				
V. SHARE OF PROFIT FROM ASSOCIATED COMPANIES	142				
VI. SHARE OF LOSS FROM ASSOCIATED COMPANIES	143				
VII. EXTRAORDINARY - OTHER INCOME	144				
VIII. EXTRAORDINARY - OTHER EXPENSES	145				
IX. TOTAL INCOME (111+131+144)	146	313.998	71.521	40.376.943	6.857
X. TOTAL EXPENSES (114+137+143+145)	147	156.742	12.646	30.528.069	30.453.325
XI. PROFIT OR LOSS BEFORE TAXES (146-147)	148	157.256	58.875	9.848.874	-30.446.468
1. Profit before taxes (146-147)	149	157.256	58.875	9.848.874	0
2. Loss before taxes (147-146)	150	0	0	0	30.446.468
XII. TAXATION	151				
XII. PROFIT OR LOSS FOR THE PERIOD (148-151)	152	157.256	58.875	9.848.874	-30.446.468
1. Profit for the period (149-151)	153	157.256	58.875	9.848.874	0
2. Loss for the period (151-148)	154	0	0	0	30.446.468
ADDITION TO PROFIT AND LOSS ACCOUNT (only for consolidated financial statements)					
XIV. PROFIT OR LOSS FOR THE PERIOD					
1. Attributable to majority owners	155				
2. Attributable to minority interest	156				
STATEMENT OF OTHER COMPREHENSIVE INCOME (only for IFRS adopters)					
I. PROFIT OR LOSS FOR THE PERIOD (=152)	157	157.256	58.875	9.848.874	-30.446.468
II. OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAXES (159 TO 165)	158	0	0	0	0
1. Exchange differences from international settlement	159				
2. Changes in revaluation reserves of long-term tangible and intangible assets	160				
3. Profit or loss from re-evaluation of financial assets held for sale	161				
4. Profit or loss from cash flow hedging	162				
5. Profit or loss from hedging of foreign investments	163				
6. Share of other comprehensive income/loss from associated companies	164				
7. Actuarial gains/losses from defined benefit plans	165				
III. TAXATION OF OTHER COMPREHENSIVE INCOME FOR THE PERIOD	166				
IV. NET OTHER COMPREHENSIVE INCOME FOR THE PERIOD (158 TO 166)	167	0	0	0	0
V. COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (157+167)	168	157.256	58.875	9.848.874	-30.446.468
ADDITION TO STATEMENT OF OTHER COMPREHENSIVE INCOME (only for consolidated financial statements)					
VI. COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD					
1. Attributable to majority owners	169				
2. Attributable to minority interest	170				

Cash flow statement - indirect method
period 01.01.2018. to 30.09.2018.

Company: FTB TURIZAM d.d.			
Position	AOP	Previous period	Current period
1	2	3	4
CASH FLOWS FROM OPERATING ACTIVITIES			
1. Profit before tax	001	157.256	9.848.874
2. Depreciation and amortisation	002		
3. Increase of current liabilities	003		13.309
4. Decrease of current receivables	004		
5. Decrease of inventories	005		
6. Other cash flow increases	006		
I. Total increase of cash flow from operating activities	007	157.256	9.862.183
1. Decrease of current liabilities	008		
2. Increase of current receivables	009	165.057	
3. Increase of inventories	010		
4. Other cash flow decreases	011	13.426	4.521
II. Total decrease of cash flow from operating activities	012	178.483	4.521
A1) NET INCREASE OF CASH FLOW FROM OPERATING ACTIVITIES	013	0	9.857.662
A2) NET DECREASE OF CASH FLOW FROM OPERATING ACTIVITIES	014	21.227	0
CASH FLOW FROM INVESTING ACTIVITIES			
1. Proceeds from sale of non-current assets	015		
2. Proceeds from sale of non-current financial assets	016		
3. Interest received	017	313.348	32.022
4. Dividend received	018		
5. Other proceeds from investing activities	019		
III. Total cash inflows from investing activities	020	313.348	32.022
1. Purchase of non-current assets	021		14.000.000
2. Purchase of non-current financial assets	022		
3. Other cash outflows from investing activities	023		
IV. Total cash outflows from investing activities	024	0	14.000.000
B1) NET INCREASE OF CASH FLOW FROM INVESTING ACTIVITIES	025	313.348	0
B2) NET DECREASE OF CASH FLOW FROM INVESTING ACTIVITIES	026	0	13.967.978
CASH FLOW FROM FINANCING ACTIVITIES			
1. Proceeds from issue of equity securities and debt securities	027		
2. Proceeds from loans and borrowings	028	25.370.000	7.000.000
3. Other proceeds from financing activities	029		
V. Total cash inflows from financing activities	030	25.370.000	7.000.000
1. Repayment of loans and bonds	031		
2. Dividends paid	032		
3. Repayment of finance lease	033		
4. Purchase of treasury shares	034		2.166.460
5. Other cash outflows from financing activities	035	13.300.000	7.000.000
VI. Total cash outflows from financing activities	036	13.300.000	9.166.460
C1) NET INCREASE OF CASH FLOW FROM FINANCING ACTIVITIES	037	12.070.000	0
C2) NET DECREASE OF CASH FLOW FROM FINANCING ACTIVITIES	038	0	2.166.460
Total increases of cash flows	039	12.362.121	0
Total decreases of cash flows	040	0	6.276.776
Cash and cash equivalents at the beginning of period	041	1.652.791	13.974.688
Increase of cash and cash equivalents	042	12.362.121	0
Decrease of cash and cash equivalents	043	0	6.276.776
Cash and cash equivalents at the end of period	044	14.014.912	7.697.912

STATEMENT OF CHANGES IN EQUITY

period **1.1.2018** to **30.9.2018**

Position	AOP	Previous year	Current year
1	2	3	4
1. Subscribed share capital	001	202.769.470	202.769.470
2. Capital reserves	002		
3. Reserves from profit	003	1.973	6.966
4. Retained earnings or loss carried forward	004	56.814	
5. Net profit or loss for the period	005	157.256	7.814.768
6. Revaluation of tangible assets	006		
7. Revaluation of intangible assets	007		
8. Revaluation of available for sale assets	008		
9. Other revaluation	009		
10. Total equity and reserves (AOP 001 to 009)	010	202.985.513	210.591.204
11. Foreign exchange differences from foreign investments	011		
12. Current and deferred taxes	012		
13. Cash flow hedge	013		
14. Change of accounting policies	014		
15. Correction of significant mistakes of prior period	015		
16. Other changes	016		
17. Total increase or decrease of equity (AOP 011 to 016)	017	0	0
17 a. Attributable to majority owners	018	0	0
17 b. Attributable to minority interest	019		

**Management Board Report on the state of FTB TURIZAM d.d.
for the period January-September 2018**

The operating results of FTB TURIZAM d.d. for the period January-September 2018 show that the Company is achieving its primary objectives.

In the period January-September 2018, FTB TURIZAM d.d. had profit before taxation to the amount of c. 9.8 million kn, while in the same period of 2017 the profit was c. 157,000 kn.

In June 2018, the General Assembly made the decision to pay out a total amount of 40,338,000.00 kn of the retained profit from previous years of the Hoteli Cavtat d.d. Company to the only shareholder of the FTB TURIZAM d.d. Company.

On the basis of the Decision of the General Assembly of the Company, FTB TURIZAM d.d. repurchased its shares in the period from June to September 2018.

On 3 July 2018, the Director of the Company concluded Annexe I to the Contract for the performance of the function of Director from 23 December 2015 with the Supervisory Board of the FTB TURIZAM Company. Annexe I stipulates that upon the due date for the payment of a Special Bonus and/or Special Bonus advance, as determined by the contract of 23 December 2015, the Supervisory Board of the Company may make a decision to pay the Special Bonus and/or Special Bonus advance to the Director in kind instead of in cash by assigning the Company's own shares, provided the Company has enough of its own shares at its disposal on the day of making the decision. On 3 September 2018, the Supervisory Board of the Company, in accordance with the Contract for the performance of the function of Director, made the decision to pay the Special Bonus advance to the member of the Board Mr Igor Šehanović to the net amount of 22,618,309.73 kn by payment in kind through the Company's own shares. After the abovementioned release of its own shares, the Company owns 969 of its own shares to a total nominal amount of 649,230.00 kn, which represent 0.3202% of the Company's share capital.

On the basis of the Special Bonus advance payment in September 2018, FTB TURIZAM d.d. calculated the total amount of its capital gains tax and surtax on the assigned own shares as 7,620,072.26 kn. On 30 September 2018, FTB TURIZAM d.d. reported reserves for own shares (a deductible item) as 2,166,460 kn. The reserves were created by allocating from the year-end profits of the financial year.

In the period January-September 2018, GOP (gross operating profit) was negative to the amount of 30.5 million kn, while last year's GOP was negative to the amount of 153,000 kn. In the observed period, the extraordinary result was c. 40.3 million kn. According to the USALI report, the EBITDA, calculated as profit before taxation with the addition of amortisation and interest expense, was c. 9.8 million kn, while in the previous year it was c. 157,000 kn.

The liquidity and solvency indicators and debt to equity and cash flow ratios are strong.

Member of the Management Board

Jasnica Juroš

FTB TURIZAM d.d.
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Zagreb, 22/10/2018

Statement of persons responsible for the preparation of the reports

Pursuant to Article 407 Paragraph 2 of the Capital Market Act (Official Gazette Nos. 88/08 and 146/08), I declare that to the best of our knowledge the financial reports of the company FTB TURIZAM d.d. Zagreb have been prepared in accordance with International Financial Reporting Standards and the Croatian Accounting Act and that they provide a true and fair view of the assets and liabilities, profit and loss and financial operations of the Company for the period from 1 January to 30 September 2018.


Jasna Juroš,
Member of the Management Board

FTB TURIZAM d.d.
Zagreb 2